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SUBJECT: NATIONAL ASSEMBLY: POLITICAL PARALYSIS PREVAILS

Classified By: A/DCM Joseph Y. Yun. Reasons 1.4 (b,d).

¶1. (C) Summary: Major South Korean political parties have yet to resolve differences over formation of the standing committees, a necessary step in order to get the National Assembly up and running for the start of the regular session in early September. An agreement was reached on August 11 only to be negated by a faction of the opposition Democratic Party (DP) that wanted more concessions from the ruling Grand National Party (GNP). The 18th National Assembly, which began its term on May 30, opened behind schedule on July 10 and continued political wrangling over the committees has subsequently paralyzed the Assembly. The Blue House, frustrated with the stalemate, has not helped matters by rejecting one agreement between the two parties and by officially appointing three cabinet nominees without the traditional -- though not required -- parliamentary hearings. For its part, the GNP threatened to unilaterally form standing parliamentary committees to settle pending bills. Even the minority Liberty Forward Party and the Renewal of Korea Party, which recently combined to form a negotiating block, are threatening to cooperate with the GNP and get to work without the Democratic Party. Meanwhile, the politicking has only exacerbated public mistrust of the National Assembly. End Summary

Committee Conundrum

¶2. (C) Last week floor leaders from the three parliamentary negotiating groups -- the GNP, the DP, and the Liberty Forward Party (LFP)-Renewal of Korea Party (RKP) coalition -- agreed on the basic framework and timetable for committee formation. Under the agreement, the GNP would lead 11 of the 18 standing committees, while the DP will chair 6, and the LFP-RKP coalition will get one, roughly reflecting the relative parliamentary power of each party. The agreement required that Assembly Speaker Kim Hyong-o deliver a statement of official regret to the Blue House over the recent conflict between the government and the National Assembly -- a reference to President Lee Myung-bak's decision to appoint three minister nominees without the traditional (though not legally required) hearings.

¶3. (SBU) The committee controversy seems far from settled. Later in the week, the DP blocked the partisan agreement demanding a revision of a law that regulates import conditions of U.S. beef as a precondition to the Assembly formation. The GNP and DP have held meetings on a revision to the law proposed by the government, but they have yet to

come to an agreement. DP members lashed out at their party's floor leader, accusing him of being too hasty in trying to reach an agreement. Meanwhile, the GNP is still wrangling internally over the committee chair selection process. Reportedly, Suh Byung-soo is the party's pick to head the planning and finance committee; Nam Kyong-phil is slated to head the committee on unification, foreign affairs, and trade; and Kim Hak-song is in line to chair the defense committee. Park Jin, however, announced that he would seek the foreign affairs committee chair and criticized the party for its "top-down style nomination" process.

Ruling Party Brings the Heat

¶4. (SBU) Fed up with the Democratic Party's continued refusal to cooperate in getting the National Assembly on track, both the Blue House and the GNP have begun to consider controversial options. On August 6 President Lee gave appointment letters to three cabinet nominees after the August 5 deadline passed for National Assembly hearings on the candidates. President Lee's decision, while perfectly legal, incensed the opposition and prompted renewed DP vows to boycott the committee negotiations. The GNP, meanwhile, had also upped the pressure on the DP by announcing that it would move forward to address pending legislation without the DP's involvement. GNP Floor Leader Hong Joon-pyo suggested working with the minor LFP and RKP if the DP continued its boycott.

Renewal of Korea and Liberty Forward: Marriage of Necessity

¶5. (SBU) On August 6 the two minority opposition parties headed by former presidential candidates Moon Kook-hyun (Renewal of Korea Party) and Lee Hoi-chang (Liberty Forward Party) announced their official alliance, setting up a third parliamentary negotiating group with 21 of the 299 seats. The alliance at first seems odd given the ideological dichotomy between the ultra-conservative LFP and the moderate-progressive RKP. According to assembly sources, however, Moon has been under intense pressure from the prosecutor's office regarding his role in a political fraud case surrounding the proportional representatives in his party. Being part of a negotiating bloc apparently gives the coalition some control over investigations to help Moon. Meanwhile, LFP Chair Lee Hoi-chang hopes that being part of a negotiating bloc will allow him to expand LFP's influence, giving him leverage to consolidate his position as a political leader with real influence.

Comment

¶6. (C) The National Assembly is not trusted by a vast majority of Koreans -- in fact it ranked last among institutions in public trust in a recent television poll -- and expectations of professionalism and integrity are low. Indeed, the parties -- and the Democratic Party in particular -- have demonstrated that they are more interested in political grandstanding than in addressing "bread-and-butter" issues that the public is interested in. The Korean people, already disenchanted by months of political bickering, seem apathetic about the current political paralysis -- undoubtedly due in part to the distraction of the Beijing Olympics, but also indicative of the public's ever-deepening distrust of their elected officials.

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